

1 Andrew H. Wilson  
2 WILSON, RYAN & CAMPILONGO  
3 115 Sansome Street  
4 Fourth Floor  
5 San Francisco, CA 94104  
6 (415) 391-3900

7 Laurie J. Bartilson  
8 MOXON & BARTILSON  
9 6255 Sunset Blvd., Suite 2000  
10 Hollywood, CA 90028  
11 (213) 960-1936

12 Attorneys for Creditor  
13 CHURCH OF SCIENTOLOGY  
14 INTERNATIONAL

15 UNITED STATES BANKRUPTCY COURT  
16 NORTHERN DISTRICT OF CALIFORNIA

17 In re

18 GERALD ARMSTRONG,

19 Debtor

20 ) CASE NO. 95-10911 aj  
21 )  
22 ) DECLARATION OF LAURIE J.  
23 ) BARTILSON IN SUPPORT OF  
24 ) CHURCH OF SCIENTOLOGY  
25 ) INTERNATIONAL'S REPLY  
26 ) MEMORANDUM IN SUPPORT OF  
27 ) MOTION FOR RELIEF FROM  
28 ) STAY  
29 ) [11 U.S.C. §362(d)(1)]  
30 )  
31 ) DATE: May 25, 1995  
32 ) TIME: 9:00 a.m.  
33 ) CTRM: Hon. Alan Jaroslovsky

1           1.     My name is Laurie J. Bartilson. I am a partner in the lawfirm Moxon &  
2     Bartilson, and one of the attorneys responsible for the representation of the creditor Church of  
3     Scientology International ("the Church") in this action. I am also one of the attorneys of record  
4     for the Church in the case of Church of Scientology International v. Gerald Armstrong, et al.,  
5     Marin County Superior Court Case No. 157680 (consolidated) ("the State Court Action"). I  
6     have personal knowledge of the facts set forth in this declaration and could competently testify  
7     thereto if called as a witness.

8           2.     During the course of the litigation of the State Court Action, representatives of  
9     my client, my co-counsel, Mr. Wilson, and I all tried repeatedly to effectuate a reasonable  
10    settlement with Mr. Armstrong. Before he ceased his representation of Armstrong, Mr. Greene  
11    acknowledged to me that he had tried to convince Armstrong to settle the case, but that  
12    Armstrong was determined to continue with the action, even after the Church obtained a partial  
13    judgment for \$100,000.

14          3.     In January, 1991, an investigator for my office discovered that Mr. Greene had  
15    made false statements in declarations to judges in an effort to obtain continuances. Based on that  
16    information, the investigator made a complaint to the State Bar. In November 1992, we  
17    received a letter from the State Bar indicating that Mr. Greene had been issued a warning letter  
18    based on our complaint. A true and correct copy of the Bar notification is attached hereto as  
19    Exhibit A. Neither the complaint nor the warning had anything to do with Mr. Greene's  
20    representation of Armstrong; in fact, they preceded that representation.

21          4.     In February, 1992, the Church filed a bar complaint concerning Mr. Greene and  
22    the Church's former attorney, Joseph Yanny, over conflict of interest issues. The filing of this  
23    bar complaint also pre-dated the filing of any litigation against Armstrong by the Church.

24          5.     Attached hereto as Exhibit B is a true and correct copy of a letter from Gary  
25    Scarff which was copied to my co-counsel, Mr. Wilson, in which Scarff repudiated the  
26    testimony in his declaration that was filed by Armstrong, and refused to appear as a witness on  
27    Armstrong's behalf.

28          6.     Attached hereto as Exhibit C is a declaration of Gerald Armstrong filed in the



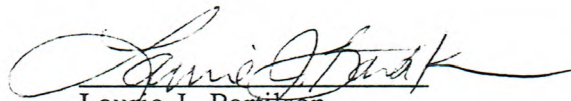
1 State Court Action on March 10, 1995.

2 7. None of the documents contained in the seven volumes of evidence which  
3 Armstrong has filed herein were ever filed in a timely fashion in the State Court Action.  
4 Indeed, in opposing the Church's summary adjudication motions, which were due to be decided  
5 by the state court 2 days after Armstrong filed his petition for bankruptcy, Armstrong filed only  
6 a single, third party declaration -- and he filed it late, without obtaining the permission of the  
7 court.

8 8. Attached hereto as Exhibit D is a portion of the declaration of Vicki Aznaran  
9 executed on May 19, 1994.

10 I declare under the penalty of perjury under the laws of the State of California and the  
11 United States of America that the foregoing is true and correct.

12 Executed this 19th day of May, 1995, at Los Angeles, California.

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15 Laurie J. Bartilson  
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**EXHIBIT A**



# THE STATE BAR OF CALIFORNIA

OFFICE OF TRIALS

555 FRANKLIN STREET, SAN FRANCISCO, CALIFORNIA 94102-4498

TELEPHONE: (415) 561-8200  
FAX: (415) 561-8220  
TDD: (415) 561-8231

DIRECT DIAL: (415) 561-\_\_\_\_\_

November 6, 1992

Eugene Ingram  
c/o Marcello M. Di Mauro  
Bowles & Moxon  
Attorneys at Law  
6255 Sunset Blvd.  
Suite 2000  
Hollywood, CA 90028

RE: In re: 91-O-00138, 91-O-00379, 91-O-01868

Dear Mr. Ingram:

An investigation has been conducted with regard to your complaint against Alyswoth Crawford Greene, III, Esq. as to an alleged perjurious statement in declarations in two court proceedings.

The attorney advised that the purpose of the declarations was to bring to the court's attention the fact that he would be unable to attend to all of his work demands due to an injury. He was careless in his declarations when he stated he had "laid every day" in a rented hospital bed. In fact there were days when he attended his deposition, traveled to Wisconsin and Texas and attended to some other work demands.

His alleged perjurious statements were brought to the court's attention and he was requested to file an amended declaration, which he did, which stated his status more accurately. His representations of the circumstances under which he performed certain work responsibilities appears to be supported by the facts.

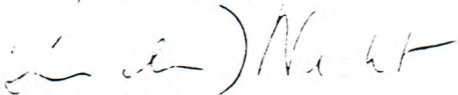
Our investigation has convinced us that the attorney should have been more accurate in his declarations and that his failure to do so was improper. If culpability were found pursuant to a State Bar Court hearing, the discipline imposed would not result in suspension or disbarment. We have, therefore, issued a warning letter to Mr. Greene advising him of his improper conduct and cautioning him to avoid such conduct in the future. Should other complaints indicate that this case was not an exceptional circumstance the matter will be reviewed for further action.



If you are not satisfied with the State Bar's decision to handle this matter with the issuance of a warning letter, you may request a review of the decision. Your request, which must be submitted in writing will be considered by the Complainant's Grievance Panel. Direct your request to the Administrative Compliance Unit, State Bar of California, 10th Floor, 333 South Beaudry Avenue, Los Angeles, California 90017.

The State Bar wishes to express its thanks to you in bringing this matter to its attention. As the agency responsible for the processing of complaints of misconduct on the part of attorneys, the Bar must depend on the active involvement of the public in bringing these matters to our attention. Your decision to become involved will help to ensure that such conduct is not repeated in the future.

Very truly yours,

  
Andrea T. Wachter  
Deputy Trial Counsel

ATW/mao



50202-603

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GARRY L. SCARFF  
2137 N.E. Weidler Street  
Portland, Oregon 97232  
(503) 281-9088

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April 26, 1993

Daniel Leipold  
HAGENBAUGH & MURPHY  
701 S. Parker St.  
Orange, CA. 92668

RE: Church of Scientology v. Gerry Armstrong,  
Superior Court of California, Los Angeles,  
Case BC 052395

Dear Mr. Leipold:

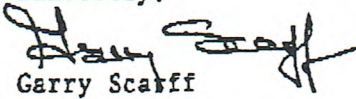
As you are aware, the attorney for Gerry Armstrong, Mr. Ford Greene, has named me as a defense witness in the above-mentioned case. You are also aware that I was subpoenaed by Mr. Greene to testify in this case in Los Angeles, last February, which I appeared.

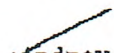
This is to notify you, and others involved in this case, that I have notified Mr. Greene of my decision not to appear as a defense witness in this case and would challenge a subpoena from him to do so. I have made it very clear to Mr. Greene that I remain neutral in litigation involving the Church of Scientology, and I am willing to do nothing more than to tell the truth of my experiences in and with the Church of Scientology. I am not on/nor do I have any interest in a vendetta against the Church.

I have made it clear to Mr. Greene that I believe, based on my personal observations and in conversations with him and Mr. Armstrong, that the Church of Scientology is justified in bringing this complaint against Mr. Armstrong, that Mr. Armstrong has willfully violated the terms of his settlement agreement with the Church of Scientology.

Mr. Greene's response to me has been derogatory and unprofessional. I no longer intend to have further contact with Mr. Greene or his client. I have advised him not to contact me in the future for any reason.

Sincerely,

  
Garry Scarff

cc:  Andrew Wilson



**EXHIBIT C**

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DECLARATION OF GERALD ARMSTRONG

I, Gerald Armstrong, declare:

1. I am the defendant in this case. I am not an attorney, not trained as an attorney, and do not have an attorney's knowledge or skills. Until February 23, 1995 I was represented by attorney Ford Greene.

2. On February 27, 1995 I received from plaintiff Scientology organization its motion for summary adjudication of its twentieth cause of action of its complaint. A copy of its memorandum of points and authorities is appended hereto as Exhibit A. A copy of the order Scientology seeks with its motion is appended hereto as Exhibit B. Scientology seeks a permanent injunction with is overreaching and if granted would hopelessly cripple me as a litigant, and destroy my civil and human rights.

3. Scientology's motion for summary adjudication and supporting documents is over six inches thick. The motion involves over twenty people or other entities who must be contacted to obtain declarations to support whatever opposition I will file.

4. From the time I have been in pro per I have attempted to obtain competent counsel to represent me in this litigation. I have communicated substantively with five attorneys, each of whom has declined to represent me. I have other possibilities for assistance with my case which I am following up at this time. I firmly believe that in



1 the United States there are lawyers with the requisite  
2 courage and interest to successfully defend this case.

3  
4 5. I have been since August, 1990 a renunciant,  
5 seeking only what is necessary to continue to do God's Will,  
6 which, in large part, has been the defense of this action.  
7 The fact of my renunciation is well known to this Court and  
8 I will not repeat that history at this time. I refer this  
9 Court to my declaration/literary work entitled "I Declare"  
10 filed herein. I have, therefore, no monetary resources to  
11 pay an attorney. I am preparing a campaign to ask for funds  
12 from people and organization's around the world who have an  
13 interest in the outcome of this case. Scientology is widely  
14 viewed as a antisocial, dangerous, anti-religious cult which  
15 is a threat to justice, true religion and freedom of  
16 thought, and by telling my story and the issues involved I  
17 believe I can raise funds from that wide field necessary to  
18 retain legal counsel.

19 6. I presently do not have a computer or printer. I  
20 am borrowing the use of the computer on which I am typing  
21 this ex parte application and declaration from Ford Greene,  
22 for whom I work. I cannot, however, use the computer or  
23 office equipment after hours, and my office work for Mr.  
24 Greene on his other cases is full time. I cannot produce,  
25 even if I cannot obtain a lawyer, the legal papers necessary  
26 to defend myself without a computer and printer.

27 7. Approximately three weeks ago I approached my  
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1 friend Michael Douglas of San Rafael to request a loan of  
2 \$5,000.00 to be able to pay some bills and survive, and to  
3 request some help to obtain and set up a computer system to  
4 be able to do my own work. I have been good friends with  
5 Mr. Douglas since 1975. He and his wife are two of the  
6 people whose debts to me I forgave in August, 1990 at the  
7 time of my renunciation. They are two of the Does in the  
8 "fraudulent conveyance" part of this case. According to Mr.  
9 Douglas's testimony in deposition the amount of the  
10 forgiveness was approximately \$80,000.00. Appended hereto  
11 as Exhibit C is an excerpt from Mr. Douglas's deposition  
12 taken August 30, 1994. I had helped Mr. and Mrs. Douglas in  
13 various ways through the years, and assisted them in other  
14 matters which made them money. After I requested the loan  
15 from Mr. Douglas, who, I also knew to have recently come  
16 into a large inheritance, he advised me that because he was  
17 afraid of repercussions from Scientology should he assist me  
18 with a loan he was contacting the organization. He then  
19 reported to me that Scientology, through one of its  
20 Directors, Michael Rinder, had told him that he could not  
21 loan me any money, and that if he did Scientology would make  
22 trouble for him.

23  
24 8. A few days later I was called by Mrs. Douglas and  
25 requested to come to their house at a certain time. When I  
26 arrived there I was met by Mr. and Mrs. Douglas and Mr. and  
27 Mrs. Michael Walton, defendants in the "fraudulent  
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1 conveyance" action. Each one of these people expressed that  
2 he or she had been terrified by the Scientology  
3 organization, and that they could not help me in any way in  
4 the future. The only thing I had done which "involved"  
5 these people in the attack by Scientology, had been to  
6 convey to them unattached gifts or forgive significant debts  
7 the owed me at the time was called to renounce my worldly  
8 wealth.

9  
10 9. I view it as perverse and unlawful that  
11 Scientology, claiming that I had fraudulently conveyed my  
12 assets to the Douglasses and the Waltons, and that these  
13 people were holding these assets for me to make me judgement  
14 proof, should threaten them with litigation or any other  
15 threat, should they help me in my time of need with a small  
16 loan. I also believe it is unlawful for Scientology to  
17 eliminate any chance of my successful defense of this case  
18 by threatening those to whom I have gone for help.  
19 Scientology cannot now take advantage of its improper  
20 actions to beat on me while I'm helpless.

21 10. I am requesting that the hearing on the motion for  
22 summary adjudication be set for April 14, 1995.

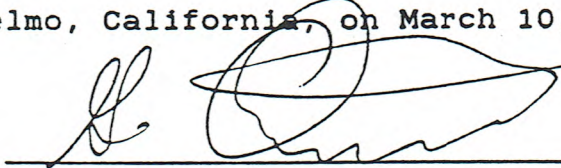
23 11. I will be bringing a motion next Monday to  
24 continue the trial date to allow me the opportunity to  
25 obtain counsel and bring such counsel up to speed.

26 12. I advised Scientology attorney, Laurie Bartilson,  
27 in person at 10:30 a.m. yesterday that I would seek a  
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1       continuation of the hearing date ex parte today if she would  
2       stipulate to such a continuance. Ms. Bartilson stated at  
3       approximately 1:20 p.m. yesterday that her client had  
4       refused to so stipulate.

5       I declare under the penalty of perjury under the laws  
6       of the State of California that the foregoing is true and  
7       correct.

8       Executed at San Anselmo, California, on March 10, 1995.

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11       GERALD ARMSTRONG  
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1 attorney of record in our lawsuit against the Church. During  
2 that time he did virtually no offensive work on the case, and did  
3 nothing of substance to advance our litigation position. Before  
4 our case was ordered transferred to Dallas, Texas in August of  
5 1992, Greene had only sent out two interrogatories and had did  
6 not even take one deposition despite having obtained two  
7 extensions of the discovery cut-off. Following the transfer  
8 order, Mr. Greene did nothing whatsoever to actually get the case  
9 files sent to Dallas, Texas. Meanwhile, no activity has taken  
10 place in our case.

11 14. While representing us, Greene was consistently late in  
12 filing papers and in several instances placed our case in serious  
13 jeopardy by failing to file needed papers. For example, in  
14 December 1990 he neglected to oppose a major summary judgment  
15 motion which the defendants had filed. He also failed to timely  
16 file several mandatory pre-trial papers which could have  
17 interfered with our ability to effectively put on our case at  
18 trial.

19 15. It was reported to me by Barry Van Sickle that Mr.  
20 Green smoked marijuana when he was picked up at the airport by  
21 Rick Wynne, a Cummins & White attorney and driven to the office  
22 of Cummins & White.

23 16. Furthermore, Greene did not communicate with us  
24 regarding activities in our lawsuit and often could not be  
25 contacted for extended periods of time. It is my belief that at  
26 least one of these periods of non-communication was due to the  
27 fact that he had entered a drug rehabilitation program without  
28 even informing us that he intended to do so. Ford Greene did



1 nothing effective to settle our case. In fact, he told me he was  
2 worried about settling our case as my husband and I would no  
3 longer be witnesses for Gerry Armstrong who is a client of Ford  
4 Greene and involved in Scientology related litigation.  
5 Additionally, he attempted to bill us for work which he did not  
6 do.

7 17. In fact, Ford Greene solicited us to pay a monthly  
8 stipend to him for Gerry Armstrong so he could work on our case.  
9 Armstrong was precluded by an earlier agreement from working on  
10 Church litigation.

11 18. Furthermore, like Cummins & White, Greene was aware of  
12 the errors in the complaint and never prepared an amended  
13 complaint. In fact, he "developed" the case so that the  
14 defendants were able to accuse my husband and myself of  
15 engineering several contradictory versions of the underlying  
16 facts of the complaint. Thus Greene's "management" of the  
17 complaint set us up so that we would be faced at trial with  
18 seemingly contradictory positions which would undermine our  
19 credibility.

20 19. Greene's inactivity, neglect, mismanagement, and  
21 failure to communicate with us endangered our lawsuit. In our  
22 view, Mr. Greene's failure to prosecute this case is tantamount  
23 to malpractice. Based upon this history, we developed the  
24 conviction that Greene would be unable to handle the trial.  
25 While we would have preferred to get rid of Greene completely, we  
26 hesitated to do so because we knew that it would be extremely  
27 difficult for new counsel to rapidly learn the facts of the case  
28 on the eve of the trial.

1 I declare under the penalty of perjury under the laws of the  
2 United States of America, and under the laws of each individual  
3 state thereof, including the laws of the states of California and  
4 Texas, that the foregoing is true and correct.

5 Executed this 19<sup>th</sup> day of May, 1994 in Dallas, Texas.

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8 VICKI J. AZNARAN  
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PROOF OF SERVICE

STATE OF CALIFORNIA       )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

I am employed in the County of California, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Hollywood, CA 90028.

On May 20, 1995, I served the foregoing document described as DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF CHURCH OF SCIENTOLOGY INTERNATIONAL'S REPLY MEMORANDUM IN SUPPORT OF MOTION FOR RELIEF FROM STAY on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

GERALD ARMSTRONG  
715 Sir Francis Drake Blvd.  
San Anselmo, CA 94960-1949

Jeffrey G. Locke, Trustee  
P.O. Box 488  
Kentfield, CA 94914-0488

[X] BY MAIL

[ ] \*I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.



Executed on May 20, 1995, at Los Angeles, California.

[ ] \*\*(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on \_\_\_\_\_, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Signature

\* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

\*\* (For personal service signature must be that of messenger)